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Attorneys for Defendants, Counterclaimants, and
Third Party Plaintiffs PCJV USA, LLC, PCI
TRADING LLC, POTATO CORNER LA
GROUP, LLC, GK CAPITAL GROUP, LLC,
NKM CAPITAL GROUP, LLC and GUY
KOREN, and Defendants J & K AMERICANA,
LLC, J&K LAKEWOOD, LLC, J&K
OAKRIDGE, LLC, J&K VALLEY FAIR, LLC, J
& K ONTARIO, LLC, J&K PC TRUCKS, LLC,
HLK MILPITAS, LLC, and GK CERRITOS, LLC

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SHAKEY'S PIZZA ASIA VENTURES,
INC, a Philippines corporation,

Plaintiff,

vs.

Case No. 2:24-CV-04546-SB(AGRx)

Hon. Stanley Blumenfeld, Jr.

**DECLARATION OF ADAM
MANDEL**

Complaint Filed: May 31, 2024
Trial Date: September 26,
2025

PCJV USA, LLC, a Delaware limited
liability company; PCI TRADING , LLC, a
Delaware limited liability company; GUY
KOREN, an individual; POTATO CORNER
LA GROUP, LLC, a California limited
liability company; NKM CAPITAL GROUP,
LLC, a California limited liability company;
J & K AMERICANA, LLC, a California
limited liability company; J&K
LAKEWOOD, LLC, a California limited
liability company; J&K VALLEY FAIR,
LLC, a California limited liability company;
J & K ONTARIO, LLC, a California limited
liability company; HLK MILPITAS, LLC, a
California, limited liability company; GK
CERRITOS, LLC, a California, limited
liability company; J&K PC TRUCKS, LLC,
a California limited liability company; and,
GK CAPITAL GROUP, LLC, a California

limited liability company and DOES 1
through 100, inclusive,

Defendants.

PCJV USA, LLC, a Delaware limited
liability company; PCI TRADING LLC, a
Delaware limited liability company;
POTATO CORNER LA GROUP LLC, a
California limited liability company; GK
CAPITAL GROUP, LLC, a California
limited liability company; NKM CAPITAL
GROUP LLC, a California limited liability
company; and GUY KOREN, an individual,

Counter-Claimants,

v.

SHAKEY'S PIZZA ASIA VENTURES,
INC, a Philippines corporation,

Counter Defendant.

PCJV USA, LLC, a Delaware limited
liability company; PCI TRADING LLC, a
Delaware limited liability company;
POTATO CORNER LA GROUP LLC, a
California limited liability company; GK
CAPITAL GROUP, LLC, a California
limited liability company; NKM CAPITAL
GROUP LLC, a California limited liability
company; and GUY KOREN, an individual,

Third Party Plaintiffs,

v.

PC INTERNATIONAL PTE LTD., a
Singapore business entity; SPAVI
INTERNATIONAL USA, INC., a California
corporation; CINCO CORPORATION, a
Philippines corporation; and ROES 1 through
10, inclusive,

Third Party Defendants.

5. Beginning in 2010, I worked with and spoke to Magsaysay, Montinola, Nemanim, Koren and Jacoby regarding a joint venture partnership (the “Partnership”), including and specifically as it related to creating and developing a Potato Corner brand of quick-service restaurants in the United States, before I subsequently witnessed, signed, and spoke with them about the JVA years later.

1 6. I also witnessed and signed as a witness the Limited Liability Company
2 Agreement of PCJV (the “LLC Agreement”), which was executed by Cinco,
3 Magsaysay, Montinola, Bermejo, and Montelibano as the Cinco Group, and by
4 Nemanim, Koren, and Jacoby as the LA Group. A true and correct copy of the LLC
5 Agreement is attached to the Appendix at Trial Ex. 62. I spoke with each of them
6 about the LLC Agreement before I witnessed and signed it.

7 The Partnership

8 7. The Partnership comprised two groups of relatively unsophisticated
9 individuals from different countries, each with limited means and offering
10 something the other did not have or was not in a position to provide—coming
11 together to achieve a common objective on a “handshake” deal. The partnership,
12 which both Magsaysay and Koren expressed to me and confirmed numerous times,
13 was simple: Cinco was contributing intellectual property—a foreign brand the
14 parties wanted to expand to the United States—and the LA Group was investing its
15 time, effort, and money to build, manage, and grow a U.S. Potato Corner brand,
16 business model, and marketing plan for a quick-service restaurant that the
17 Partnership could franchise across the United States and that would appeal to
18 consumers in different geographic markets and transcend any niche market for
19 flavored french fries.

20 8. I was sought out and retained by Messrs. Nemanim, Koren and Jacoby
21 because of my prior experience doing this kind of work. At El Pollo Loco, for
22 example, I led the marketing team to reposition the brand to mainstream from its
23 Mexican roots. We successfully transformed the brand into a premier
24 health-conscious quick-service chicken restaurant across the United States.

25 9. At the time the Partnership was agreed upon, and later when franchise
26 disclosure documents were prepared, I, alongside other involved parties, such as the
27 LA Group, believed that Cinco owned the recipes for certain of the seasonings used
28

1 to flavor french fries. We later discovered that Cinco did not own any recipes but
2 simply purchased and resold those seasonings from Ferna Corporation.

3 10. Neither the Cinco Group nor the LA Group had prior U.S. experience or
4 relevant materials to create, design, or develop a marketing plan or to form the
5 operations of a U.S. quick-service franchise restaurant business. Prior to 2010,
6 Potato Corner in other countries comprised wood huts and food carts, using lower-
7 grade food supplies (such as Grade B potatoes) and equipment that was not suitable
8 for restaurants in the United States. Koren and his Los Angeles investors initially set
9 out to design and open the first prototype Potato Corner quick-service restaurant in
10 the United States.

11 11. Initially, I met with Koren and Jacoby, who were working from
12 Jacoby's garage, which had been converted into an office. "Potato Corner USA"
13 was a name the LA Group coined and that everyone began to use to refer to the
14 Partnership.

15 12. After several meetings with Koren and Jacoby, we agreed on two main
16 objectives: (1) create a U.S. branded quick-service restaurant, which could be
17 franchised across the country; and (2) create a nationwide restaurant brand that
18 would transcend any niche market and have widespread appeal to U.S. customers.

19 13. There were many challenges the LA Group and I had to overcome to
20 create Potato Corner USA, including two principal obstacles: (a) unsophisticated
21 partners with little or no relevant U.S. knowledge or experience, providing little
22 support; and (b) no brand awareness in the United States—essentially creating a
23 snack-food restaurant from scratch.

24 14. Below are the steps I advised the LA Group to undertake or helped the
25 LA Group undertake to build a successful U.S. quick-service restaurant franchise
26 and brand:

- 27 a. Designed restaurants from the ground up;
28 b. Identified and secured shopping mall locations;

- 1 c. Conceived and developed a business model and trademark/trade
2 dress for U.S. operations, including a completely different
3 physical look and feel at the retail level. Potato Corner USA
4 moved away from a flat, dated design centered on Potato Corner's
5 "Spudster" character, dated typefaces, and flat surfaces and
6 colors. What emerged was the use of woods, granite surfaces,
7 unique lighting, and varied surfaces. U.S. operations also
8 designed and implemented modern typefaces to appeal to a
9 broader demographic;
- 10 d. Established—without any input from the Cinco Group—what the
11 Potato Corner brand meant in, and how it could be duplicated
12 across, the United States. Potato Corner USA needed and
13 developed:
- 14 i. *Operational procedures.* To be approved to offer
15 franchises, an operations manual and training materials
16 were required. The LA Group and I wrote a comprehensive
17 operations manual, training materials, and training videos
18 to help create consistent operations from store to store.
- 19 ii. *Cooking process.* To comply with enclosed-mall lease
20 requirements, ensure product consistency, and increase
21 safety around hot oil, U.S. operations sourced, tested,
22 installed, and successfully implemented the use of AutoFry
23 fryers. This equipment directly contributed to the ability to
24 quickly output high-quality fried foods.
- 25 iii. *Menu items.*
- 26 1. *Chicken products.* We added chicken wings and
27 chicken "poppers," allowing quick "full meal"
28 options for consumers and increasing average check.

1 This U.S.-created idea had not been done in Potato
2 Corner outlets in other countries. For the U.S.
3 market, it was vital that the brand extend beyond
4 pure snack foods into full meal options.

- 5 2. *Baked potatoes.* To offer non-fried options for
6 health-conscious U.S. consumers and additional
7 full-meal options, U.S. operations created,
8 developed, tested, and executed baked potatoes.
- 9 3. *Chili Cheese Fries.* To meet diverse U.S. tastes and
10 prevent revenue loss to other food choices, U.S.
11 operations created, sourced, developed, tested, and
12 executed Chili Cheese Fries among other alternative
13 menu options.
- 14 4. *Drink options.* The U.S. tested and installed ICEE, a
15 flavored ice-based drink, to offer more choice
16 beyond traditional soft drinks. ICEE, along with
17 Blueberry Blast (another drink option), was installed
18 to boost revenue and prevent loss of customer counts
19 to other mall quick-service options.
- 20 5. *Combos.* U.S. operations developed and installed
21 proprietary combo boxes to boost average check and
22 offer convenient transportability of multiple food
23 elements for quick full meals.
- 24 6. *Alternate flavors.* U.S. operations developed, tested,
25 and installed flavors better matched to U.S.
26 consumption and demographic demands, including
27 Garlic and Cinnamon Sugar (as a sweet alternative).
28 These flavors helped retain consumer loyalty and

1 encouraged repeat purchases. We developed and
2 sourced these flavors ourselves through a U.S.-based
3 manufacturer (not Ferna Corporation).

4 e. Established quality control and training, including standardized
5 procedures for franchising and personally trained franchisees,
6 which is critical to creating a U.S. brand.

7 f. Developed and implemented all marketing through our own
8 website, potatocornerusa.com, and social media channels like
9 Facebook and Instagram (through our own dedicated accounts).

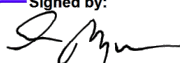
10 15. Both groups relied upon each other and requested that I witness their
11 execution of the JVA and LLC Agreement because I had worked with each group
12 for their mutual benefit.

13 16. Both agreements confirmed the purpose of the Partnership. They
14 included numerous provisions confirming PCJV's intellectual property rights and
15 documenting that PCJV was established and would be operated for the mutual
16 benefit of the joint venture partners, including expressly having an indefinite
17 duration as well as vested rights to use Potato Corner intellectual property, including
18 after termination, to support U.S. franchise and franchisee agreements. They
19 included provisions specifying each group's rights, obligations, and responsibilities
20 as PCJV's President, executive officers, and voting members of management
21 pertaining to the use, control, licensing, and franchising of the Potato Corner brand,
22 where control of the Potato Corner intellectual property rights was vested
23 domestically in PCJV and was expressly made non-transferable.

24 17. My understanding of the purpose of PCJV and its operating agreements
25 was formed in real time when I interacted and spoke with members from each
26 partnership group, including specifically Magsaysay. Interestingly, it was not until
27 third parties and lawyers got involved that any "disputes" arose.
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I declare under penalty of perjury that the foregoing is true and correct.
Executed September 24, 2025, within the United States, its territories, possessions,
or commonwealths.

Signed by:

4410CB3179C1453...

Adam Mandel